

[Translation]

(d) if so, the details thereof?

Price of Maruti Cars

[English]

*598. SHRIMATI SHEELA GAUTAM:
Will the Minister of PRIME MINISTER be
pleased to state:

(a) whether there has been a heavy
increase in the prices of Maruti cars during
the last two years;

(b) if so, the reasons therefor;

(c) whether the Government propose to
fix the prices of maruti cars; and

THE MINISTER OF STATE IN THE
MINISTRY OF INDUSTRY (SHRI P.K.
THUNGON):

(a) and (b), A statement is laid on the
Table of the House.

(c) No, Sir.

(d) Does not arise.

STATEMENT

(a) and (b).

During the last two years, there have been the following increases in the price of Maruti cars:

Date	Ex-factory price of	Reason for price increase Maruti-800 Std. (Rs.)
Before 20.03.90	92,616	
w.e.f. 20.03.90	96,075	Basic excise duty increased from 35% to 40%
w.e.f. 08.05.90	99,984	Basic price increased to cover increases in material cost and fixed cost including exchange variation on foreign currency loans.
w.e.f. 22.08.90	1,07,190	Basic excise duty increased from 40% to 50%
w.e.f. 20.12.90	1,11,769	Basic price increased due to increase in customs duty on components from 60% to 80% and on panels from 65% to 85%
w.e.f. 08.04.91	1,20,251	Basic price increased to cover Rupee depreciation against dollar and Yen and increase in the indigenous purchase cost of components and consumables
w.e.f. 25.07.91	1,50,823	Basic excise duty increased from 50% to 60%, special excise duty increased from 5% to 10%, basic price increased to cover the increase in cost of imported material on account of devaluation of rupee and need to buy Exim scrips and the increase in fixed cost due to exchange variation on foreign currency loans.

[Translation]

SHRIMATI SHEELA GAUTAM: I would like to ask the hon. Minister that the concept of late Shri Sanjay Gandhi to produce Maruti cars was to keep it in the reach of middle class people but its price is increasing day by day and as such in the present circumstance can the middle class people afford to buy Maruti? In view of this I would like to ask the hon. Minister whether there is a new innovation of manufacture/produce cars which can be afforded by the common man or there is a proposal to bring down its price.

[English]

SHRI P.K. THUNGON: Sir, it is a fact that today the Maruti cars have become very popular not only in the country but also abroad. You can very well imagine that this industry was conceived by late Shri Sanjay Gandhi. (Interruptions). I am making a statement of facts only. It was meant for the common people.

So far as the price rise is concerned, we cannot entirely blame Maruti Udyog Limited because due to certain unavoidable circumstances, their prices have to be raised. I would like to give a little more details. The Total amount of the price-rise from 1990 to 1991 within a span of almost two years - is Rs. 58, 207/- I have worked out the percentage on the basis of which this increase has been made because I wanted to find out whether the Maruti Udyog was unnecessarily increasing the price. I found that the excise duty increased with in these two years has contributed to the increase of the price upto an extent of 62 per cent. The increase and fluctuations in the customs duty have contributed to the increase of the price of Maruti car by 5 per cent. (Interruptions) You please listen to me. It depends on the arguments.

In the meanwhile the depreciation of rupee took place. That contributed to price increase by 10 per cent. Maruti Udyog Limited has only contributed....

MR. SPEAKER: The second part of the question is: Are you going to produce a

smaller car which can be afforded by the common man? That is the second part of the question. The first part is over now.

SHRI P.K. THUNGON: Sir, let me complete.

MR. SPEAKER: Not necessary. You answer the second part of the question.

SHRI P.K. THUNGON: Sir, the Maruti Udyog Limited has increased the cost by nine percent. The reason of this increase - which is by the Maruti Udyog Limited itself - was the increased overhead charges, increased salaries etc. That is why it had to be increased. So far as the second part - which has been rightly pointed out by you - is concerned, it is a continuous effort to see how new innovations can take place. (Interruptions) So far Maruti Udyog Limited is producing cars for export from 1992-93.

SHRIMATI SHEELA GAUTAM: Mr. Speaker, Sir, the hon. Minister has replied every question regarding the increase of price on account of Excise and Custom duties but he has not mentioned anything about the malpractices prevalent among the high officers and management who are making money. Is the hon. Minister propose to conduct a C.B.I. enquiry into it?

[English]

SHRI P.K. THUNGON: I have already said - in reply to an earlier question - that there are certain allegation against some members of the management. We are seriously looking into all these things and will be taking suitable action. (Interruptions)

[Translation]

MR. SPEAKER: What is this happening? Whenever you feel like you are standing and asking question. This is not proper. Please take your seat. Not like this.

[English]

SHRI RAGHUNANDAN LAL BHATIA: Sir, when the idea of Maruti car was con-

ceived, there were two arguments which were given at that time - firstly it will be a people's car at a low cost; and secondly during the time we will be able to have all the indigenous parts. In the first case we have miserably failed. The price of the car started from Rs. 82,000 and now it is more than Rs. 1,50,000. The argument advanced by the hon. Minister is that the duty was increased from 40 per cent to 60 per cent which was involved in the price increase. The difference in duty from 40 to 60 per cent is not that much to justify the price of the car which is Rs. 1,50,000. I would like to know from the hon. Minister as to how many components of the Maruti car are still being imported and when are you going to make it 100 percent indigenous?

SHRI P.K. THUNGO: Sir, I have already dealt with the first part of the question. As regards the second part, I would like to inform the hon. Member that when Maruti Udyog started in 1982 it was planned in such a manner that the indigenisation takes place as quickly as possible. The hon. Member will be glad to know that as a result of that effort the indigenisation of Maruti car (800 CC) has been 94.10 per cent as on 31st March, 1992. (Interruptions) As on the same date, 31st March, 1992, the indigenisation of Maruti Omni has been 95 per cent, Maruti Gypsy has been 79.00 per cent and Maruti (1000 CC) has been 79.36 per cent. (Interruptions)

[Translation]

SHRI GEORGE FERNANDES: Mr. Speaker, Sir, the hon. Minister is not only misleading this House but giving wrong information. Once he is saying that the indigenisation of Maruti has been 94 per cent and on the other hand he himself says that due to devaluation of rupee and increase in the price of foreign exchange it has become necessary to increase the price. (Interruptions) This reveals a blatant lie. I would like to ask the hon. Minister two questions.... (Interruptions)

SHRIMATI KRISHNA SAHI: I am on a point of order.

[English]

MR. SPEAKER: There is no point of order in the Question Hour.

(Interruptions)

MR. SPEAKER: There is no point of order in the Question Hour, we don't do it. Please take your seat now.

(Interruptions)

[Translation]

SHRIMATI KRISHNA SAHI: Mr. Speaker, Sir, this is unparliamentary.

[English]

MR. SPEAKER: I will look into it if it is unparliamentary.

[Translation]

SHRI GEORGE FERNANDES: Mr. Speaker, Sir, I would like to know about the total amount of foreign exchange being paid to Japan annually for the import of components for this car from Japan and due to so called indigenisation of Maruti car as indigenous manufactures of the competent are importing there components in foreign exchange. If I claim that you are paying foreign exchange to the tune of nearly three hundred and fifty crore to five hundred crore to Japan annually, will you deny it?

[English]

SHRI P.K. THUNGO: Sir, so far as the question of.....

MR. SPEAKER: Leave that aside. (Interruptions)

[Translation]

SHRI GEORGE FERNANDES: I have no personal quarrel with you.

[English]

SHRI P.K. THUNGO: The hon. House is quite aware, the hon. Member is quite competent to mislead this House and he has

done so several times. *(Interruptions)*. He is quite competent to do that. But I am sorry I don't have that much of quality, so I don't bring out a wrong statement.

So far as the imported components and indigenous components are concerned, I have already stated product-mixwise and so far as it is in terms of rupee and in terms of dollar is concerned, if the hon. Member really insists, I can send it to him or lay on the table I have just now got. I think I don't have to waste much of time; if he wants, I shall send it to him. *(Interruptions)*

MR. SPEAKER: Mr. Minister, the question is, what is the amount of foreign exchange used on producing one car. If you don't have that figure, you can send it later on, we don't expect it now.

SHRI P.K. THUNGO: That is why I was saying....

MR. SPEAKER: You can send it later on.

SHRI P.K. THUNGO: I don't have, at the moment, the splitting of the rupee part and dollar part. I can send it to him later. *(Interruptions)*

[*Translation*]

SHRI GEORGE FERNANDES: You admit that you have no information with you.

[*English*]

SHRI BASU DEB ACHARIA: Sir, the Minister has stated that he has misled the House in the Question Hour also. *(Interruptions)*.

MR. SPEAKER: Question No. 599.

[*Translation*]

Diversion of Funds Allocated for Irrigation Projects

*599. SHRI MAHENDRA KUMAR SINGH THAKUR:
DR. LAL BHADUR RAWAL:

Will the Minister of PLANNING AND PROGRAMME IMPLEMENTATION be pleased to state:

(a) whether the Governments of Andhra Pradesh, Uttar Pradesh and Madhya Pradesh have sought the approval of the Union Government for diverting the funds allocated for the irrigation projects to other projects;

(b) if so, the reaction thereto;

(c) the time by which approval is likely to be accorded;

(d) the amount allocated to these States for irrigation projects; and

(e) the actual amount utilised so far by these States?

[*English*]

THE MINISTER OF STATE OF THE MINISTRY OF PLANNING AND PROGRAMME IMPLEMENTATION (SHRI H.R. BHARDWAJ): (a) to (e). A Statement is laid on the Table of the House.

STATEMENT

(a) to (e). The Governments of Andhra Pradesh, Uttar Pradesh and Madhya Pradesh had sought the approval of the Planning Commission for revising their respective Annual Plan outlays, including outlays on irrigation projects, for 1991-92. The proposals in this regard by the three State Governments were considered and the Revised Outlays were approved before the end of financial year 1991-92. The originally approved outlays for the Irrigation and Flood Control sector in the three States, the revisions proposed by the State Governments and the Revised Outlays are as below: